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gaining in others regardless of the cost—push impact on prices in those other industries. One can only question whether these guideposts can really mean anything at all if any party to a bargaining situation as conspicuous as auto can find whatever exemption he needs.

Three. A third management responsibility relates to the clearly felt need of employees for some measure of economic security consistent with the flexibility required of a dynamic, responsive society. Especially since the great depression imprinted its stamp on a generation, industrial employees have shown continuing concern for economic security in an age of complexity and change. The question for management has become: Can we come up with sound ways of meeting our employees' concern for greater economic security? Or will we sit back and allow others to formulate proposals for economic security and impose them on us—proposals which will be shaped by what seems politically attractive in the short run, regardless of whether they are economically workable.

These proposals may be forced at us either across a bargaining table—for example, the original formulations of the misnamed "guaranteed annual wage" during the mid-fifties or some of the more recent schemes for dealing with automation. Or these proposals may come at us in the legislative halls—like the new scheme seeking to reduce unemployment by unsound approaches such as doubling overtime rates or otherwise trying to make water run uphill.

Back at the ranch, there are things we all can do.

For example, this week about 190,000 General Electric employees will be receiving about 500,000 shares of General Electric stock, and over 1,600,000 U.S. savings bonds, as one of the annual distributions under our employees' savings plans. They saved this money voluntarily 3 to 5 years ago and have right now on deposit 3 to 5 years' savings. This is self-protection, encouraged by sound payroll deduction savings plans and matched by company contributions of up to 50 percent.

Likewise, in 1960, we were able to develop with our unions a new approach to employment and income security, which we call income extension aid. This plan has features for occupational mobility (retraining) and geographic mobility (lump sum payments of the total benefits) that try to be responsive to the needs of our employees. I understand that these concepts are now figuring prominently in discussions on Government legislation to aid the unemployed.

Let me then summarize my message. This changing world of tomorrow, this newly competitive world, radically rewrites the job description for all of us in labor-management relations. Under the new terms, the contribution which it is our responsibility to make now becomes central to the ability of our respective businesses to meet their goals.

In labor-management relations, it is time for businessmen to take the initiative and stop negatively reacting to what others set in motion. Change is inevitable—it is the direction and source of change which is by no means predetermined. It is the businessman's job, in human relations no less than in marketing and technological fields, to make himself an agent of change and, guided by perspective on the kind of world we face 10 years out and more, an agent of the right kind of change—progress rather than retrogression.

In practical terms, there is much we can do back at the ranch that can make not only significant contributions toward solving problems at the local level, but can help guide national policy in the proper direction. All too often what passes for an employee relations policy is nothing more than a

purely defensive, passive reaction to forces initiated by others.

Too often, we feel we are the helpless victims of national labor policy formulated by someone else, or pattern settlements negotiated by someone else. Too often, we feel that the only way that we shape outside forces is through employer associations at the local, State, or national level. These associations can be mighty helpful, to be sure, so long as we do not think of them as comfortable excuses for abdicating our own responsibilities for doing what we can do ourselves in our own businesses, with our own employees and neighbors, back at the ranch.

This is not a program that will always bring you easy popularity or avoid the rigorous requirements of doing your own homework and being willing to take on difficult or controversial issues. But as Bette Davis so succinctly put it: "The best fruit is what the birds pick at."

(Mr. PILLION (at the request of Mr. Bruce) was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

[Mr. PILLION'S remarks will appear hereafter in the Appendix.]

SELLING WHEAT AND BARGAINING WITH THE RUSSIANS A MISTAKE?

(Mr. BENNETT of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT of Florida. Mr. Speaker, one of the most vital questions before the world and our country today is whether or not the free world should trade with the Russian Empire and its satellites. There are advantages and disadvantages for each side in either course.

I have never favored selling wheat to Russia because I have always felt that even if wheat has been declared by our Department of Defense to be a non-strategic material in the present circumstances, as it has, the sales would make it very difficult for us to hold the line with our allies on goods that are in fact of great strategic importance. Based on this reasoning I voted against the use of Export-Import Bank guarantees where the issue was one of congressional policy only. However, when the issue was amended to put the responsibility on the shoulders of the President to report to Congress that any particular sale is in the national interest of our country, I voted to allow the President to continue to have this power which his office had possessed and used for a decade or more. The reason why I cast this vote was that I thought that so shortly after the assassination we should not weaken but should instead strengthen the international image of our new President, thus advancing our Nation's position in the world. I still feel that selling wheat to Russia is a mistake.

The news wires have just now reported the shooting down of an Air Force plane over East Germany. The details and even the fact of this incident have not yet been made certain as I speak. However, even if it has not occurred an incident of this nature has already very recently taken place in the same area,

with three fine Americans killed on a peaceful, accidental flyover.

This is an excellent time to give notice that America will sell no more wheat nor extend any trade opportunities between our Nation and the Soviet Empire so long as these dastardly and barbaric attacks are made on our nonbelligerent plane flights, whether accidentally occurring or not.

TO PROVIDE RELIEF TO AMERICAN NATIONALS SUFFERING LOSSES IN CASTRO'S CUBA

(Mr. FASCELL (at the request of Mr. Johnson of California) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, I am today introducing a bill to provide realistic relief to American nationals who suffered expropriation of their property at the hands of the Castro Communist government in Cuba. My bill provides for adjudication of claims of American nationals against the Government of Cuba and provides for payment of claims from Cuban assets seized by the U.S. Government.

Mr. Speaker, as I predicted when Castro began his expropriation of American-owned property, no meaningful effort has been made to reimburse American owners.

Recently, overtures have been made by Castro to the Shell Oil Co. in London regarding compensation for expropriation of the Shell refinery in Cuba, but we must not expect that he will willingly compensate Shell for their losses. Furthermore, it must be remembered that even this weak and very late offer comes only after the British began selling buses to Castro.

This latest statement is just a propaganda move on Castro's part in an effort to legitimize or naturalize his governmental relations with other governments.

It is naive to presume that further delay will permit more proper adjudications. With the passage of time it will become more and more difficult to obtain records, witnesses, and evidence to substantiate claims. At present, claims may be filed with the Department of State—and that is exactly what happens to them. They are filed without comment and that is the end of it.

Furthermore under present procedures claims can be settled only by country to country negotiations. None have been entered into for this purpose and there is little likelihood that such negotiations will be started.

Thus after more than 5 years, no means exists whereby these thousands of Americans who lost their land, their homes, their small businesses, or other personal effects may have their claims adjudicated and look forward to the day when they will have the means to start over.

A great reservoir of talent now lies dormant because many of these citizens are without economic means to start over; yet, especially in Latin American

countries, they could play a vital part in our oversea economy, just as they did in Cuba. The loan provisions of my legislation would give them this opportunity and at the same time stimulate new activity and growth under the Alliance for Progress.

The United States has already acted to relieve the big American-owned corporations of their basic losses in Cuba by way of tax writeoffs, but the individual is still without redress. Many of these citizens were forced to flee the island of Cuba with only the clothes they wore. It is about time our country examined the plight of these Americans as we have done for others.

Machinery now exists in the Foreign Claims Settlement Commission to adjudicate these claims. Since its establishment in 1949, the Commission has adjudicated millions of dollars in losses suffered by Americans in Czechoslovakia, Poland, and Hungary.

Mr. Speaker, I have long been interested in assisting these American citizens. A great deal of interest in remedial action has also been forthcoming from individuals and groups. The Cuba Claims Association of Miami, a nonprofit organization headed by Clarence W. Moore, publisher of the now exiled *Times of Havana*, represented the first collective effort on the part of U.S. citizens to obtain adjudication of their losses.

I believe this legislation represents an equitable solution to their dilemma.

H.R. 10327

A bill to amend the International Claims Settlement Act of 1949 to provide for the determination of the amounts of claims of American nationals against the Government of Cuba; to provide for payment of such claims; and to provide that the uncompensated portion of approved claims may be the collateral for certain loans made to claimants by the Secretary of State

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Claims Settlement Act of 1949 is amended by adding at the end thereof the following new title:

"TITLE V

"Purpose of title

"Sec. 501. It is the purpose of this title to provide for the determination of the amount and validity of claims against the Government of Cuba arising since January 1, 1959, out of confiscation of, or special measures directed against, property of American nationals, and claims for disability or death of American nationals arising out of violations of international law by the Government of Cuba, in order to obtain information concerning the total amount of such claims to be presented against the Government of Cuba on behalf of American nationals, to provide for payment of such claims to the maximum extent possible, and to provide that the value of approved claims shall be certified to the Secretary of the Treasury.

"Definitions

"Sec. 502. For the purposes of this title—
 "(1) The term 'national of the United States' means (A) a natural person who is a citizen of, or who owes permanent allegiance to, the United States, or (B) a corporation or other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are either citi-

zens of, or who owe permanent allegiance to, the United States own, directly or indirectly, twenty-five per centum or more of the outstanding capital stock or other beneficial interest of such corporation or entity. The term does not include aliens.

"(2) The term 'Commission' means the Foreign Claims Settlement Commission of the United States.

"(3) The term 'property' means any property, right, or interest, including any leasehold interest.

"Receipt of claims

"Sec. 503. (a) The Commission shall receive and determine in accordance with applicable substantive law, including international law, the amount and validity of claims by nationals of the United States against the Government of Cuba arising since January 1, 1959, for losses resulting from the nationalization or other taking of property including any rights or interests therein owned at the time by nationals of the United States, if such claims are submitted to the Commission within six months after the date of enactment of this title, or within six months after the date such property was taken from the claimant (as determined by the Commission), whichever date last occurs.

"(b) The Commission shall receive and determine in accordance with applicable substantive law, including international law, the amount and validity of claims by nationals of the United States against the Government of Cuba arising since January 1, 1959, for disability or death resulting from actions taken by or under the authority of the Government of Cuba, if such claims are submitted to the Commission within six months after the date of enactment of this title, or within six months after the date the claim first accrued to the claimant (as determined by the Commission), whichever date last occurs.

"Ownership of claims

"Sec. 504. (a) A claim shall not be considered under section 503(a) of this title unless the property on which the claim was based was owned by a national of the United States on the date of nationalization or other taking thereof and unless the claim has been held by a national of the United States continuously thereafter until the date of filing with the Commission.

"(b) A claim for disability shall not be considered under section 503(b) of this title unless filed by or on behalf of the disabled person. A claim for death under such section shall not be considered unless filed by or on behalf of the widow or widower, child or parents of the deceased person.

"Corporate claims

"Sec. 505. (a) A claim under section 503 (a) of this title based upon an ownership interest in any corporation, association, or other entity which is a national of the United States shall not be considered.

"(b) A claim under section 503(a) of this title based upon a direct ownership interest in a corporation, association, or other entity for loss by reason of the nationalization or other taking of such corporation, association, or other entity, or the property thereof, shall be considered, subject to the other provisions of this title, if such corporation, association, or other entity on the date of the nationalization or other taking was not a national of the United States, without regard to the per centum of ownership vested in the claimant.

"(c) A claim under section 503(a) of this title based upon an indirect ownership interest in a corporation, association, or other entity for loss by reason of the nationalization or taking of such corporation, association, or other entity, or the property thereof, shall be considered, subject to the other provision of this title, only if at least twelve and one-half per centum of the entire own-

ership interest thereof at the time of such nationalization or other taking was vested in nationals of the United States.

"(d) The amount of any claim covered by subsection (b) or (c) of this section shall be calculated on the basis of the total loss suffered by such corporation, association, or other entity, and shall bear the same proportion to such loss as the ownership interest of the claimant bears to the entire ownership interest thereof.

"Offsets

"Sec. 506. In determining the amount of any claim, the Commission shall deduct all amounts the claimant has received from any source on account of the same loss or losses.

"Action of Commission with respect to claims

"Sec. 507. The Commission shall certify to each individual who has filed a claim under this title, and to the Secretary of the Treasury, the amount determined by the Commission to be the loss or damage suffered by the claimant which is covered by this title.

"Cooperation with Department of State

"Sec. 508. The Secretary of State shall transfer or otherwise make available to the Commission such records and documents relating to claims authorized by this title as may be required by the Commission in carrying out its functions under this title.

"Application of other laws

"Sec. 509. To the extent they are not inconsistent with the provisions of this title, the following provisions of title I of this Act shall be applicable to this title: Subsections (b), (c), (d), (e), (h), and (j) of section 4.

"Cuba claims section

"Sec. 510. In carrying out the provisions of this title, the Commission shall establish a special Cuba claims section for the purpose of adjudicating claims submitted to the Commission under this title.

"Cuban Claims Compensation Fund

"Sec. 511. (a) Any property which was blocked in accordance with the Cuban Assets Control Regulations, July 8, 1963 (31 C.F.R., Part 515 et seq.), and which remains so blocked six months following the date of enactment of this title shall vest in such officer or agency as the President may from time to time designate upon such terms as the President or his designee shall direct. Such property shall be sold or otherwise liquidated as expeditiously as possible after vesting under such rules and regulations as the President or his designee may prescribe. The net proceeds remaining upon completion of the administration and liquidation thereof, including the adjudication of any suits or claims with respect thereto under section 512 of this title, shall be covered into the Treasury. Notwithstanding the preceding provisions of this subsection, the ownership of any such property determined by the President or his designee to have been transferred on or after January 1, 1959, to the Cuban government or to any of its agencies from ownership of a national of the United States by nationalization, expropriation, intervention or any other similar act of the Cuban government shall not be vested under this subsection, but shall remain blocked subject to release when, as, and upon such terms as the President or his designee may prescribe.

"(b) There is created in the Treasury of the United States, from the funds covered into the Treasury pursuant to subsection (a) of this section or from any other funds authorized for this purpose, a fund to be designated the Cuban Claims Compensation Fund, for the payment of unsatisfied claims of nationals of the United States against Cuba as authorized in this title.

"(c) The Secretary of the Treasury shall deduct from the Cuban Claims Compensation Fund 5 per centum thereof as reimburse-

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ment to the Government of the United States for the expenses incurred by the Commission and by the Treasury Department in the administration of this title. The amount so deducted shall be covered into the Treasury to the credit of miscellaneous receipts.

"(d) The President or his designee may require any person to furnish, in the form of reports or otherwise, complete information, including information with regard to past transactions, relative to any property blocked under the Cuban Assets Control Regulations, as amended, or as may be otherwise necessary to enforce the provisions of this section; and the President or his designee may require of any person the production of any books of account, records, contracts, leases, memoranda, or other papers relative to such property or as may be otherwise necessary to enforce the provisions of this section.

"Claims to vested property"

"SEC. 512. (a) Any person who has not filed a notice of claim under subsection (b) of this section may institute a suit in equity for the return of any property, or the net proceeds thereof, vested in a designee of the President pursuant to section 511 of this title and held by such designee. Such suit, to which said designee shall be made a party defendant, shall be instituted in the district court of the United States for the district in which the claimant resides, or, if a corporation, where it has its principal place of business, by the filing of a complaint which alleges—

"(1) that the claimant is a person other than Cuba or a blocked national thereof under the Cuban Assets Control Regulations of July 8, 1963, as amended; and

"(2) that the claimant was the owner of such property immediately prior to its vesting, or is the successor in interest of such owner by inheritance, devise, or bequest. If the court finds in favor of the claimant, it shall order the payment, conveyance, transfer, assignment, or delivery to said claimant of such property, or the net proceeds thereof, held by said designee or the portion thereof to which the court shall determine said claimant is entitled. If suit shall be so instituted, then such property, or, if liquidated, the net proceeds thereof, shall be retained in the custody of said designee until any final judgment or decree which shall be entered in favor of the claimant shall be fully satisfied, or until final judgment or decree shall be entered against the claimant or suit otherwise terminated.

"(b) Any person who has not instituted a suit under the provisions of subsection (a) of this section may file a notice of claim under oath for the return of any property, or the net proceeds thereof, vested in a designee of the President, pursuant to section 511 of this title and held by such designee. Such notice of claim shall be filed with said designee and in such form and containing such particulars as said designee shall require. Said designee may return any property so claimed, or the net proceeds thereof, whenever he shall determine—

"(1) that the claimant is a person other than Cuba or a blocked national thereof under the Cuban Assets Control Regulations of July 8, 1963, as amended; and

"(2) that the claimant was the owner of such property immediately prior to its vesting, or is the successor in interest of such owner by inheritance, devise, or bequest. Any person whose claim is finally denied in whole or in part by said designee may obtain review of such denial by filing a petition therefor in the United States Court of Appeals for the District of Columbia Circuit. Such petition for review must be filed within sixty days after the date of mailing of the final order of denial by said designee and a copy shall forthwith be transmitted to the said designee by the

clerk of the court. Within forty-five days after receipt of such petition for review, or within such further time as the court may grant for good cause shown, said designee shall file an answer thereto, and shall file with the court the record of the proceedings with respect to such claim, as provided in section 2112 of title 28 of the United States Code. The court may enter judgment affirming the order of the designee; or, upon finding that such order is not in accordance with law or that any material findings upon which such order is based are unsupported by substantial evidence, may enter judgment modifying or setting aside the order in whole or in part, and (A) directing a return of all or part of the property claimed, or (B) remanding the claim for further administrative proceedings thereon. If a notice of claim is filed under this subsection, the property which is the subject of such claim, or, if liquidated, the net proceeds thereof, shall be retained in the custody of said designee until any final order of said designee or any final judgment or decree which shall be entered in favor of the claimant shall be fully satisfied, or until a final order of said designee or a final judgment or decree shall be entered against the claimant, or the claim or suit otherwise terminated.

"(c) The sole relief and remedy of any person having any claim to any property vested pursuant to section 511 of this title shall be that provided by the terms of subsection (a) or (b) of this section, and in the event of the liquidation by sale or otherwise of such property, shall be limited to and enforced against the net proceeds received therefrom and held by the designee of the President. The claim of any person based on his ownership of shares of stock or other proprietary interest in a corporation which was the owner of property at the date of vesting thereof under section 511 of this title shall be allowable under subsection (a) or (b) of this section if 25 per centum or more of the outstanding capital stock or other proprietary interest in the corporation was owned at such date by nationals of countries other than Cuba.

"Payment of debts; claims allowable"

"SEC. 513. Any property vested in the designee of the President pursuant to section 511 of this title, or the net proceeds thereof, shall be equitably applied by such designee in accordance with the provisions of this title to the payment of debts owed by the person who owned such property immediately prior to its vesting in such designee. No debt claim shall be allowed under this section if it is asserted against Cuba (including the government or any political subdivision, agency, or instrumentality thereof), or if it is based upon an obligation expressed or payable in any currency other than the currency of the United States, or if it was not due and owing on July 8, 1963. Any defense to the payment of such claim which would have been available to the debtor shall be available to the designee except that the period from and after July 8, 1963, shall not be included for the purpose of determining the applicability of any statute of limitations. Debt claims allowable under this section shall include only those of natural persons who were citizens of the United States at the dates their debtors became obligated to them; those of other natural persons who are or who have been continuously since July 8, 1963, residents of the United States; those of corporations organized under the laws of the United States or any State, territory, or possession thereof, or the District of Columbia; and those acquired by the designee of the President under this title. Successors in interest by inheritance, devise, bequest, or operation of law to debt claimants, other than persons who would themselves be disqualified hereunder

from allowance of a debt claim, shall be eligible for payment to the same extent as their principals or predecessors would have been.

"Application of other laws"

"SEC. 514. To the extent they are not inconsistent with the provisions of this title, the following provisions of title 2 of this Act shall be applicable to this title: section 203, section 204, section 205, section 206, subsections (b), (c), (d), (e), (f), (g), (h), and (i) of section 208, section 211, section 212, section 214, and section 215.

"Hearings on claims; rules and regulations; delegation of powers"

"SEC. 515. The officer or agency designated by the President under this title to entertain claims under sections 512(b) and 513 of this title shall have power to hold such hearings as may be deemed necessary; to prescribe rules and regulations governing the form and contents of claims, the proof thereof, and all other matters related to proceedings on such claims; and in connection with such proceedings to issue subpoenas, administer oaths, and examine witnesses. Such powers, and any other powers conferred upon such officer or agency by sections 512(b) and 513 of this title may be exercised through subordinate officers designated by such officer or agency.

"Limitations"

"SEC. 516. No suit may be instituted pursuant to section 512(a) of this title after the expiration of one year from the date of vesting of the property in respect of which relief is sought. No return may be made pursuant to section 512(b) of this title unless notice of claim has been filed within one year from the date of vesting of the property in respect of which the claim is filed.

"Determination of expenses and time for filing suit; notice of claim and debt claim"

"SEC. 517. Prior to covering the net proceeds of liquidation of any property into the Treasury pursuant to section 511(a) of this title, the designee of the President under this title shall determine—

"(1) the amount of his administrative expenses attributable to the performance of his function under this title with respect to such property and the proceeds thereof. The amount so determined, together with an amount not exceeding that expended or incurred for the conservation, preservation, or maintenance of such property and the proceeds thereof, and for taxes in respect of same, shall be deducted and retained by the designee from the proceeds otherwise covered into the Treasury; and

"(2) that the time for the institution of a suit under section 512(a) of this title, for the filing of a notice of claim under section 512(b) of this title, and for the filing of debt claims under section 513 of this title has elapsed.

The determinations of the designee under this section shall be final and conclusive.

"Payment of awards; manner of payment"

"SEC. 518. (a) The Secretary of the Treasury is authorized and directed, out of the sums covered into the Cuban Claims Compensation Fund, to make payments on account of awards certified by the Commission pursuant to this title as follows and in the following order of priority:

"(1) Payment in the amount of \$1,000 or in the amount of the award, whichever is less.

"(2) Thereafter, payments from time to time on account of the unpaid balance of each remaining award made pursuant to this title which shall bear to such unpaid balance the same proportion as the total amount in the fund available for distribution at the time such payments are made bears to the aggregate unpaid balance of all such awards.

"(b) Such payments, and applications for such payments, shall be made in accordance with such regulations as the Secretary of the Treasury shall prescribe.

"(c) For the purpose of making any such payments, an 'award' shall be deemed to mean the aggregate of all awards certified in favor of the same claimant.

"(d) If any person to whom any payment is to be made pursuant to this title is deceased or is under a legal disability, payment shall be made to his legal representative, except that if any payment to be made is not over \$1,000 and there is no qualified executor or administrator, payment may be made to the person or persons found by the Comptroller General of the United States to be entitled thereto, without the necessity of compliance with the requirements of law with respect to the administration of estates.

"(e) Subject to the provisions of any claims agreement hereafter concluded between the Governments of Cuba and the United States, payment of any award pursuant to this title shall not, unless such payment is for the full amount of the claim, as determined by the Commission to be valid, with respect to which the award is made, extinguish such claim, or be construed to have divested any claimant, or the United States on his behalf, of any rights against any foreign government for the unpaid balance of his claim.

"(f) The Secretary of the Treasury shall certify to the Secretary of State the aggregate amount paid from the Cuban Claims Compensation Fund to each claimant to whom an award is made.

"Fees of attorneys; limitation; penalty

"Sec. 519. No remuneration on account of services rendered on behalf of any claimant in connection with any claim filed with the Commission under this title shall exceed 10 per centum of the total amount paid pursuant to any award certified under the provisions of this title on account of such claim. Any agreement to the contrary shall be unlawful and void. Whoever, in the United States or elsewhere, demands or receives, on account of services so rendered, any remuneration in excess of the maximum permitted by this section shall be guilty of a misdemeanor, and upon conviction thereof, shall be fined not more than \$5,000 or imprisoned not more than twelve months, or both.

"Loans to claimants

"Sec. 520. (a) In any case in which the Foreign Claims Settlement Commission has approved the claim of any claimant under title V of the International Claims Settlement Act of 1949 and has certified to the Secretary of the Treasury the amount thereof, the Secretary of the Treasury shall certify to the Secretary of State (hereafter in this section referred to as the "Secretary") the aggregate of amounts paid to such claimant from the Cuban Claims Compensation Fund established by section 511 of title V of such Act. The Secretary is authorized, subject to the provisions of this section, to make a loan to any such claimant who makes application therefor in the manner prescribed by the Secretary. The value of the unpaid claim of the claimant shall be the only collateral required for any loan made under this section.

"(b) No loan made under this section shall exceed an amount equal to 30 per centum of the unpaid claim which is the collateral for such loan; except that, if the loan is made to a claimant who presents to the Secretary a project which would be an acceptable project under the Alliance for Progress program, as administered pursuant to the provisions of title VI of part I of the Foreign Assistance Act of 1961, and who agrees to use such loan to carry out such project, the loan shall not exceed an amount equal to 80 per centum of the unpaid claim which is the collateral for such loan.

"(c) Each loan under this section which does not exceed an amount equal to 30 per centum of the unpaid claim shall be for such period of time as the Secretary determines to be appropriate, taking into consideration the circumstances involved in such loan, but in no event shall such loan extend for a period of more than ten years after the unpaid claim which is the collateral for such loan has been satisfied by full payment thereof. In any case in which the property which was the subject of the unpaid claim is returned to the claimant while the loan for which such claim is the collateral is still outstanding, such loan shall not become due and payable before the expiration of the ten-year period following the date the property was returned to the claimant (as determined by the Secretary).

"(d) Each loan made under this section which does not exceed an amount equal to 30 per centum of the unpaid claim shall bear interest at the rate of 1½ per centum per annum; except that, in any case in which the property which was the subject of the unpaid claim which is the collateral for the loan is returned to the claimant while such loan is still outstanding, the loan shall bear interest at the rate of 5 per centum per annum beginning upon the expiration of the three-year period following the date the property was returned to the claimant (as determined by the Secretary) and such rate shall continue for the balance of the term of the loan.

"(e) Each loan made under this section to carry out a project in accordance with the Alliance for Progress program shall be for the same period of time, shall bear interest at the same rate, and shall be subject to the same terms and conditions (except as provided in subsection (f) of this section) as loans for similar projects made pursuant to title VI of part I of the Foreign Assistance Act of 1961.

"(f) Each loan under this section shall be subject to such terms and conditions as the Secretary may deem appropriate to protect the interest of the United States, including, but not limited to, such terms and conditions as may be necessary to grant to the United States the first right, in satisfaction of the loan, to collect sums paid to the claimant on account of the approved claim which is the collateral for the loan, and to grant to the United States a mortgage against any property returned to the claimant on account of such approved claim.

"(g) Notwithstanding any other provision of this section, the amount of any loan as determined under subsection (b) shall be reduced by the total of any deductions, credits, and other benefits which have been allowed the claimant under the Internal Revenue Code of 1954 on account of the loss or losses to which his claim relates, for taxable years the filing date for which is prior to the date of the loan, and no loan shall be made under this section unless the claimant agrees in writing that, until such loan is repaid in full in accordance with its terms, he will not use the loss or losses to which his claim relates as the basis for any deduction, credit, or other benefit under the Internal Revenue Code of 1954. A copy of each agreement executed under this paragraph by a claimant shall be transmitted by the Secretary of State to the Secretary of the Treasury or his Delegate and, thereafter, no deduction, credit, or other benefit under the Internal Revenue Code of 1954 based on such loss or losses shall be allowable to such claimant; except that for any taxable year ending after the loan has been repaid in full according to its terms the claimant may be allowed such deduction, credit, or other benefit to the extent it is then otherwise allowable under such Code.

"(h) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section."

FEDERAL RESERVE SYSTEM

(Mr. GONZALEZ (at the request of Mr. JOHNSON of California) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GONZALEZ. Mr. Speaker, the gentleman from Texas, the Honorable WRIGHT PATMAN, dean of the Texas delegation and chairman of the House Banking and Currency Committee, has been the motivating force behind the current hearings into the Federal Reserve System. For 36 years the gentleman from Texas, WRIGHT PATMAN, has devoted his life to public service as a Member of Congress. In this time he has contributed to our democratic form of government in a way few of us present in this House can match. In my opinion, the gentleman from Texas, WRIGHT PATMAN, is one of the great Congressmen of the 20th century. The entire Nation owes a debt of gratitude to him, both for his remarkable past performance and for the courageous job he is now doing.

The hearings being conducted by the House Banking and Currency Committee are concerned with the question of whether a truly independent monetary authority is desirable. They have received a great amount of publicity. It is therefore refreshing to find an independent newspaper like the Washington Post reporting objectively on this important investigation. For if we are to remain free we cannot be dominated by any single group. With the unanimous consent of the Members of this House, I am submitting for the Record an editorial printed in the Washington Post on March 7, 1964:

THE MONETARY AUTHORITY

Although time and energy have been wasted in the pursuit of such hobgoblins as the expense accounts of the regional Federal Reserve banks, Representative WRIGHT PATMAN and his colleagues on the House Banking and Currency Committee are performing a significant public service by exploring the issue of whether a truly independent monetary authority is desirable.

The nine academic monetary specialists who have thus far testified before the committee represented varying points of view, but all agreed that the monetary policies pursued by the Federal Reserve System should be consistent with the economic goals of the incumbent national administration. The witness who drove this point home in the most compelling fashion was Prof. Milton Friedman of the University of Chicago, the coauthor of a distinguished monetary history of the United States.

Dr. Friedman is a protagonist of a brand of economic liberalism to which many conservative politicians pay only lip service. He believes that competition in the marketplaces, unfettered by Government intervention, provides the most effective support of political freedom and personal liberty. It is, then, the failure of the nominally independent authorities to maintain monetary stability rather than affinity for centralism which leads Dr. Friedman to the firm belief that monetary policy should be determined by the Congress.

Using the growth of the money supply as his criterion, Dr. Friedman argues that the "chief defect in Federal Reserve policy has been a tendency to go too far in one direction or the other, and then to be slow to recognize its mistake and correct it." In the period from 1957 to mid-1962 "unduly wide swings in the money stock" contributed to

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instability and the slow rate of economic growth. But since September 1962, Dr. Friedman believes, the money stock has been expanding at a rate—nearly 4½ percent per year—"that cannot long be maintained without producing a substantial increase in prices."

In place of most of the powers which now reside with the Federal Reserve authorities, Dr. Friedman proposes that Congress legislate rules which would insure a steady rate of growth in the money supply "from week to week, month to month, and year to year." This provocative proposal has drawn criticism, but in view of the historical record of monetary instability and increasing evidence that the rate at which the monetary stock grows is a matter of great economic importance, it deserves a full hearing and careful consideration.

UHF TELEVISION

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. COLLIER] is recognized for 10 minutes.

Mr. COLLIER. Mr. Speaker, and Members of the House: 2 years ago this House passed the bill which in my opinion was about as ill-conceived a piece of legislation as had ever passed the House. It was subsequently enacted into law. I refer to the so-called ultra-high frequency all-channel television law which was signed into law 2 years ago, but which was a time-bomb type of measure which is due to explode on the American market on April 30. After that date thousands of American consumers will be paying for a reception facility on television sets which in most cases they neither need nor want. By an edict of the Government, as a result of a law which this Congress approved, every purchaser of a television set after the 30th day of April will be obliged to pay \$15 to \$25 because of the legislation to which I refer. It is not in good taste for a Member of this House to tell the majority that it was wrong, nor to say "I told you so," but the facts are undeniable.

At that time I contended that Congress had no right by law to force people to buy something that they did not need, nor to tell the manufacturer he had to manufacture in accordance with an order of the Federal Government something which 80 percent of the television purchasers of this country did not need and could not use.

The bill at that time was sold on the grounds that it would provide better and wider reception for television throughout the United States. However, let us look at the figures and see exactly what has happened so that you might better understand why I say that this legislation was so ill conceived. Eighty percent of the homes containing 143 million people do not have UHF television available to them. An additional 8 percent or 14 million people can get UHF reception only from noncommercial stations, which generally do not offer as good a program as commercial stations can afford. Twenty-eight States have absolutely no commercial UHF stations at all. In States with such outlets most people live outside the signal area—156 major cities with over 100,000 population still have no commercial UHF.

Taking the example of my own area, Metropolitan Chicago, here after the 30th day of April, because of a law which this Congress passed, those who desire to buy a television set and have absolutely no need for UHF reception will be paying \$15 to \$25 more for a television set because of the action which this Congress took. Since the FCC first allocated UHF channels in 1952, 225 UHF stations went on the air, but since that time 108 of these have closed down. They closed down, not because the people could not buy UHF sets then, but because UHF programs were so unappealing that people simply did not buy the sets.

Mr. Speaker, what I have stated in this regard is water over the dam. Obviously we cannot, at least in the near future, repeal what I believe to be a very bad law, particularly since television manufacturers geared their production to this requirement and produced countless thousands of television sets with this all-channel reception facility. But there is something we can do, as a Congress, to put salve on the wound, so to speak, if we act expeditiously.

On all television sets, as you know, there is currently a 10 percent Federal excise tax. Since we have saddled the potential buyer of television sets with this additional cost through the enactment of a bad piece of legislation it seems to me we can do something to remedy that by removing the 10 percent excise tax; not only because we owe it to the consumers of the United States, but because there has been an estimate that as a result of the increased cost of television sets there will probably be a sales drop of about 750,000 units, having a retail value of \$150 million.

I do not think it is necessary to explain any further the need for doing something in this area. The only alternative open, it seems to me at this time, is to act expeditiously in removing the excise tax to compensate for the additional burden which the consumers will have to carry in buying a television set after April 30 of this year.

A SALUTE TO THE AMERICAN SOCIETY OF COMPOSERS, AUTHORS, AND PUBLISHERS (ASCAP) ON ITS 50TH ANNIVERSARY

The SPEAKER pro tempore (Mr. ROOSEVELT). Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 15 minutes.

Mr. HALPERN. Mr. Speaker, on the golden anniversary—1914-64—observance of the American Society of Composers, Authors, and Publishers, I wish to pay tribute to and congratulate the musickers of America. Music is one of the great arts that is understood by all citizens. No one can estimate with certainty the value of music. It has been called "the only universal tongue," "the greatest good that mortals know," "the speech of angels," and "medicine of troubles."

The songs which a nation plays and sings are reflections of that country's social history—war times, prosperity

and depression, times of stress, and times of peace.

One of the most significant tributes paid to any organization is the one which President Johnson extended to ASCAP in his letter to Stanley Adams, ASCAP president, and from which I quote:

For 50 years the musical creations of the members of the American Society of Composers, Authors, and Publishers have enriched the cultural life of all Americans.

The talented writers who are members of your organization have made a radiant contribution to the musical culture of our Nation. Your membership has included such outstanding talent as John Philip Sousa, Irving Berlin, Victor Herbert, Richard Rodgers, and Oscar Hammerstein. Their gifts have become the proud possession not alone of Americans but also of all peoples around the globe.

As Americans we pride ourselves on the freedom and independence of our creative artists. Your society has played a conspicuous role in fostering the atmosphere which permits creative people to work most effectively and to find greater reward for their artistic achievements.

I am most happy to extend to all the members of ASCAP my sincere congratulations on the significant milestone in the history of your society.

ASCAP, as it is affectionately known, is a membership association that is concerned solely with public performances of copyrighted works. The president of ASCAP, Mr. Stanley Adams, has very aptly written that the organization acts as a clearinghouse and offers a convenient, economical way for those who profit from the use of music to compensate those who create it. ASCAP believes that our society is best served when it best serves the general public.

Since 1897 it has been the law that any commercial user of music cannot play a composer's song without making suitable arrangements with the composer. ASCAP's basic function is to make these arrangements for composers who find difficulty in making the individual transactions themselves. By the same token ASCAP believes that the commercial user of copyrighted music would find it impossible to obtain legal clearance for public performance of musical numbers intended for any one of the many commercial uses.

During the 50 years of service to its members and to the commercial users of music, ASCAP has grown to uphold the legal rights of its more than 9,000 writer and publisher members and the approximately 125,000 writer and publisher members of affiliated foreign societies. To be eligible for membership in ASCAP, a composer or author must have secured regular publication of one or more musical works that have had a substantial number of musical performances. It is actually a voluntary association and we recall that among the original organizers were Victor Herbert and Nathan Burkan, attorney.

In 1946 the society stated it was:

Dedicated to the principle that no man or woman in the United States who writes successful music, or anyone dependent on him, shall ever want.

It has been stated that no ASCAP member has ever been on relief, and it is

apparent that none will ever die, as Stephen Foster did, with 38 cents in his pocket.

ASCAP asserts it seeks equitable means of making it possible for those who create music to live comfortably, by protecting them in their lawful rights and collecting for them their portion of the profits made by commercial users of their music. Without music these enterprises could not be successfully operated.

Aaron Copland, one of America's leading symphonic composers, has stated in a salute to ASCAP:

It is a sign of ASCAP's maturity that the society has become fully aware of the values represented by the works of its symphonic composers. It is a safe prediction that this trend will continue and that in the next few decades the society will find its symphonic composers playing a leading role in its future history.

The beloved composer of popular songs, Richard Rodgers, has written of ASCAP:

Creative people are usually a pretty independent breed. Those I know would much rather receive compensation for what is rightfully theirs than receive some form of patronage. Thus, without playing favorites or giving handouts, ASCAP accords writers the respect that is their due. In turn, by their courage and vision, writers accord that same respect to their audience. It has been a beneficial relationship all around, and one that is in no small measure responsible for the good health of our musical theater today.

The well-known and talented Duke Ellington has appropriately written:

I like to think that ASCAP has always been a guardian of good music. The benefits of ASCAP are an inspiration to the artist and therefore ultimately beneficial to the public.

Music in our country functions constantly in areas which include education, social activities, professional needs, patriotic occasions, religion, industry, and therapeutics. The American public, as well as the authors, composers, and publishers of music, have been served honestly and efficiently for 50 years by ASCAP. I trust this society will continue to assist in the enrichment of American culture.

THE FATAL QUICKSANDS OF UNILATERAL DISARMAMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOSMER] is recognized for 20 minutes.

Mr. HOSMER. Mr. Speaker, I have today introduced H.R. 10311, a bill relative to the organization now called the U.S. Arms Control and Disarmament Agency. In September 1961 Congress established this as an agency which would put all arms control study and informational work under one roof, so to speak, and prevent overlapping research activities, failure to coordinate background information, and poor communications between the various agencies concerned with national security and foreign policy.

First, the semantics of the agency are wrong. From the beginning there were reservations held by many that the

title "Arms Control and Disarmament Agency" was a misnomer and that the Disarmament Act of 1961 went further than the original intent of Congress. As a result of the reports and recommendations of this Agency we find in official administration circles today fuzzy thinking relating to our role in the world military balance of power. We have been told "let the Soviet become equal with the United States in military might and the Soviet will no longer fear us or attack us." This is the fallacious logic of the theoreticians and amateur military strategists of the Arms Control and Disarmament Agency.

Today we are witnessing a unilateral approach to disarmament by this administration, which, if continued, will threaten the very security of our Nation. When the original Disarmament Act was passed, in 1961, the Communists were still grounded on the Eurasian land mass. Now, in 1964, there is a threatening Communist base of action just 30 miles from the shores of Florida. We do not know the true story of the purported removal of the Soviet rockets from Cuba. Reports are constantly being received that the Russians are entrenching themselves in fortified caves and concrete bunkers in the provinces of Creoland. We read of secret midnight movements of Soviet groups and the establishment of Russian military compounds completely isolated even from their Cuban puppets. Is this the time to consider further steps to weaken national security?

Today, the newspapers tell us that both Red Russia and Red China have threatened warlike measures if we attempt to retrieve our military position in Vietnam by stepped-up military maneuvers against Communist northern Vietnam forces. Shall we continue to disarm in the face of such threats and implied ultimatums?

It seems incredible that at a time of accelerated alarm and with the enemy making continued advances in the Far East, in the Near East, in Africa, and in South America, the administration should continue to press at Geneva for so-called disarmament proposals; proposals which the Soviets laugh at and deride. Only last week at the Geneva 18-nation Disarmament Conference, the U.S. representative, Adrian S. Fisher, announced with great fanfare that certain American reactors are being placed under international inspection. The move was entirely unilateral on our part. No similar action by the Communists was demanded in return. The idea was to set a noble example to Soviet Russia, which, it is hoped, will follow suit. All this might be logical if we were dealing with people who understand such things as good faith and noble examples. But the Reds do not. Such gestures merely prove that our disarmers fail totally to understand the nature of the Red enemy.

At no time have the Communists shown a sincere interest in any disarmament proposal which would provide for compulsory verification systems. They secretly arm as we publicly disarm and weaken ourselves.

Until the Soviets show a real and sincere desire for disarmament we are just playing into the enemy's hands with our Geneva proposals which serve only to lull the American people into a false sense of peace while the Soviets continue relentlessly on its slated path of world domination. Add to this fact that there is a strong possibility that the Soviets will make a serious miscalculation of American will to survive. Our apostles of appeasement have distorted the American image and today our Nation appears, to those in Europe, Africa and South America, to be a nation which is selling its birthright of courage and strength for the leaky umbrella of the fallacious "peace in our times" theory. A theory which, as embraced by the staff and policies of the Arms Control and Disarmament Agency entails the belief that "the only road to peace is the road of disarmament." This, Mr. Speaker, I do not believe. There are other roads to peace and one of them is the road of national strength, both military and moral. This I believe is the only real road to peace. Meanwhile, in order to retain the opportunity to take this road, we must act to put the disarmers on some kind of a reasonable leash and place a safety catch on the U.S. Arms Control and Disarmament Agency's notorious tendency to lead us ever deeper into the fatal quicksands of do-it-ourself disarmament.

Mr. Speaker, our military system, if we look at it historically and objectively, is concerned primarily with preventing war. I sincerely believe that there is no one in the Military Establishment who advocates aggressive war against our declared enemies. Yet by unilateral measures we are rapidly sapping our national stature as a military power. The amount of money budgeted for our strategic retaliatory forces, bombers, and missiles has been drastically cut. In fiscal year 1962 the sum was \$9.1 billion. For fiscal year 1965 the sum is \$5.3 billion, over a 40-percent reduction. All this is in the face of an absolute zero-percent reduction in communism's manifest and devouring hostility toward all that is noncommunist on our planet.

The administration all but killed the RS-70 program. It has stopped production of the B-58 bomber. The B-52 bombers are being retired 2 or 3 years ahead of schedule. All B-47's have been ordered junked by 1966. The Skybolt missile program was eliminated. The Jupiter and Thor missiles were removed from their sites in Turkey and Italy just 7 months after they were installed. Our high-powered Atlas D and Titan I long-range missiles are headed for the scrap heap. By Executive order the production of fissionable nuclear materials is to be cut drastically and nuclear reactors are to be shut down. The administration now is considering a proposal of Soviet Russia to burn all bombers. Plans for additional nuclear aircraft carriers have been shelved and Nike-Zeus missile-killer production canceled. How unrealistic can we get? We must ask the administration—What evidence do you have that the Communists are responding to our unilateral disarmament actions with ef-